

RECORDATION NO. 24498 **FILED**

FROST BROWN TODD LLC

JUN 25 '03

2-42 PM

ATTORNEYS AT LAW

250 West Main Street
Suite 2700
Lexington, Kentucky 40507-1749
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SURFACE TRANSPORTATION BOARD

RANDY D. SHAW
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June 24, 2003

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Secretary
Surface Transportation Board
1925 K Street, N.W.
Washington, DC 20423-0001



Re: Central Bank & Trust Co./R.J. Corman Equipment Company, LLC

Dear Secretary:

I have enclosed an original and one copy/counterpart of the document described below, to be recorded pursuant to Section 11301 of Title 49 of the U.S. Code. This document is a security agreement, a primary document dated June 24, 2003. The name and address of the parties to the documents are as follows:

SECURED PARTY:

Central Bank & Trust Co.
300 West Vine Street
Lexington, Kentucky 40507

and

DEBTOR:

R.J. Corman Equipment Company, LLC
One Jay Station
P.O. Box 788
Nicholasville, Kentucky 40356

A description of the equipment covered by the document is as follows:

All railroad cars, locomotives or the rolling stock (including superstructures and tracks), including but not limited to the locomotives and rolling stock listed on Schedule 1 attached to the Security Agreement (and any after acquired railroad cars, locomotives or rolling stock).

A fee of \$30.00 is enclosed. Please return the original and any extra copies not needed by the Board for recordation, to me.

KENTUCKY • OHIO • INDIANA • TENNESSEE

Surface Transportation Board
June 24, 2003
Page 2

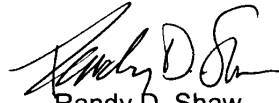
FROST BROWN TODD LLC

A short summary of the document to appear in the index follows:

An Amended and Restated Security Agreement between R.J. Corman Equipment Company, LLC, One Jay Station, P.O. Box 788, Nicholasville, Kentucky 40356 and Central Bank & Trust Co., 300 West Vine Street, Lexington, Kentucky 40507 dated June 24, 2003 and covering all railroad cars, locomotives or the rolling stock, including but not limited to locomotives and rolling stock listed on Schedule 1 of the Security Agreement (and any after acquired railroad cars, locomotives or rolling stock).

Very truly yours,

FROST BROWN TODD LLC

A handwritten signature in black ink, appearing to read "Randy D. Shaw".

Randy D. Shaw,
Counsel for Central Bank & Trust Co.

Enclosures
RDS/lgf

RECORDATION NO. 24498 FILED

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SURFACE TRANSPORTATION BOARD

AMENDED AND RESTATED SECURITY AGREEMENT

This is a Amended and Restated Security Agreement dated as of June 24, 2003, amends and restates a Security Agreement executed by Borrower and Lender on December 21, 2001 (this "Agreement"), between:

CENTRAL BANK & TRUST CO.,
a Kentucky banking corporation
300 West Vine Street
Lexington, Kentucky 40507

(the "Lender")

and

R.J. CORMAN EQUIPMENT COMPANY, LLC,
a Kentucky limited liability company;

One Jay Station
P.O. Box 788
Nicholasville, Kentucky 40356

(the "Borrower").

Recitals

A. Borrower is indebted to the Lender as of the date hereof in the principal amount of Twenty Million and 00/100 Dollars (\$20,000,000.00) evidenced by a Revolving Credit Note from Borrower to Lender in the original face amount of Twenty Million Dollars (\$20,000,000.00) dated December 21, 2001, as may have been amended from time to time, the most recent amendment being that certain Fifth Amendment of Revolving Credit Notes and Seventh Amendment of Loan Agreement dated June 24, 2004 (collectively, the "Revolving Credit Note").

B. In connection with the above-described loan (collectively, the "Loan"), Borrower, Lender and certain guarantors entered into that certain Loan Agreement dated December 24, 1998, which Loan Agreement was amended pursuant to that certain Amendment of Revolving Credit Notes and Loan Agreement dated June 22, 2000, that certain Second Amendment of Loan Agreement dated June 22, 2001 and Second Amendment of Revolving Credit Notes and Third Amendment of Loan Agreement dated June 22, 2001, that certain Third Amendment of Revolving Credit Notes and Fourth Amendment of Loan Agreement dated December 21, 2001 that certain Fifth Amendment of Loan Agreement

dated March 12, 2002 and that certain Fourth Amendment of Revolving Credit Notes and Sixth Amendment to Loan Agreement effective as of June 22, 2002 (collectively, the "Loan Agreement").

C. Borrower has engaged in certain restructuring activities involving the formation of the Borrower and the transfer of certain assets of R.J. Corman Railroad Group, LLC to Borrower and Borrower undertaking to be primarily liable to Lender under portions or a credit facility previously available to R.J. Corman Railroad Group, LLC (the "Restructuring").

D. As a condition of Lender's consent to the Restructuring, Borrower is entering into this Agreement to secure its obligations under the Loan Agreement and Revolving Credit Note.

NOW, THEREFORE, the Borrower and the Lender agree as follows:

1. Grant of Security Interests.

(a) The Borrower grants to the Lender a security interest in the following property, whether now owned or hereafter acquired ("Collateral"):

(i) All of Debtor's accounts ("**Accounts**"), which term includes Debtor's accounts, receivables, health care insurance receivables, contract rights, contracts, notes, drafts, acceptances, winnings in a lottery or other game of chance operated, sponsored, or authorized by a state or other governmental subdivision, bills, acceptances, choses in action, and other forms of monetary obligations at any time owing to Debtor;

(ii) All of Debtor's inventory ("**Inventory**"), which term includes all goods, merchandise and other personal property, which are held for sale or lease or are furnished or to be furnished under a contract of service and/or raw materials, parts, finished goods, work in process and materials used or consumed or to be used or consumed in Debtor's business or in the processing, packaging, shipping or advertising thereof;

(iii) All of Debtor's equipment and fixtures ("**Equipment**"), which term includes all of Debtor's machinery, parts, tools, railroad cars, locomotives, or other rolling stock (including superstructures and tracks), including but not limited to the locomotives and rolling stock listed on Schedule 1 attached hereto and made a part hereof (and any after acquired railroad cars, locomotives or other rolling stock)

fixtures, furniture, and accessories, together with all attachments, additions and accessions thereto, and added and substituted parts, equipment and repairs now or hereafter placed upon such property, whether because of necessary repairs or otherwise;

(iv) All of Debtor's intellectual property, contract rights and other general intangibles ("**General Intangibles**"), including but not limited to (i) all contracts, (ii) all judgments, patents, trademarks, trade or business names, service marks, logos, copyrights, trade secrets, plans, blueprints, licenses, permits, tax or other refunds, software, programs, inventions, business or technical data, processes, mailing and customer lists, books and records, and goodwill, (iii) payment intangibles, (iv) all rights, applications, continuations, renewals, substitutions, improvements, modifications and extensions in any manner related thereto, and (v) all proceeds and products thereof, including but not limited to all license royalties, payments made under insurance policies, and proceeds of infringement suits and any other suits;

(v) All of Debtor's chattel paper, including tangible chattel paper, electronic chattel paper, or any hybrid thereof ("**Chattel Paper**");

(vi) All of Debtor's investment property, including all securities, security entitlements, securities accounts, commodity contracts, and commodity accounts of or maintained for the benefit of Debtor, but excluding any investment property that was previously subject to pledge agreement given to secure the obligations of Debtor to a third party and of which Secured Party has notice in writing prior to the execution of this Agreement ("**Investment Property**");

(vii) All of Debtor's instruments, including all promissory notes ("**Instruments**");

(viii) All of Debtor's documents, including warehouse receipts, bills of lading and other documents of title ("**Documents**");

(ix) All of Debtor's rights to payment or performance under letters of credit including rights to proceeds of letters of credit ("**Letter of Credit Rights**"), and all guaranties, endorsements, liens, other contingent obligations or supporting obligations of any person securing or supporting the payment, performance, value or liquidation of any of the foregoing (collectively, with the Letter of Credit Rights, the "**Supporting Obligations**");

(x) All moneys, credits and other property of any nature whatsoever of Debtor now or hereafter in the possession of, in transit to or from, under the custody or control of, or on deposit with (whether held by Debtor individually or jointly with another) Secured Party, including but not limited to cash collateral accounts; and

(xi) The proceeds (including insurance proceeds) and products of the foregoing in whatever form the same may be.

1. Obligations Secured. The security interests granted by the Borrower hereby secure the payment and performance of all of the following Secured Obligations: (a) any and all indebtedness of the Borrower to the Lender evidenced by the Revolving Credit Note, (b) any and all of the representations, warranties, obligations, agreements, covenants and promises of the Borrower contained in the Loan Agreement, this Agreement and the other Borrower's Documents, whether or not now or hereafter evidenced by any note, instrument or other writing; and (c) any and all indebtedness, obligations and liabilities of the Borrower to the Lender, however evidenced, whether now existing or hereafter arising, direct or indirect, absolute or contingent, or acquired by the Lender, including without limitation, any and all other indebtedness, liabilities and obligations of Borrower to the Lender that exist on the date of this Agreement, or arise or are created or acquired after the date of this Agreement, regardless of whether they are of the same or of a different class or type as the indebtedness evidenced by the Revolving Credit Note and/or the other Borrower Documents, and whether or not the creation thereof was reasonably foreseeable or would be naturally contemplated by the Borrower or the Lender as the date of this Agreement.

2. Representations and Warranties. To induce the Lender to extend the Revolving Credit to Borrower and to enter into this Agreement, any and all of the representations and warranties made by the Borrower in the Loan Agreement, the Revolving Credit Note, and the other Borrower Documents are incorporated herein by reference, and the Borrower further represent, warrant and agree as follows:

(a) The Borrower have full right, power, authority and capacity to enter into and perform this Agreement; and this Agreement has been duly entered into and delivered and constitutes a legal, valid and binding obligation of the Borrower enforceable in accordance with its terms.

(b) The Borrower has good and marketable title to the Borrower's Collateral, and the Collateral is not subject to any lien, charge, pledge, encumbrance, claim or security interest other than the security interests created by this Agreement.

(c) The Borrower will keep the Collateral at the locations set out on Schedule 2 attached to this Agreement. The Equipment is located (except for after-acquired Equipment), on the date of this Agreement, at the locations described on Schedule 2 attached to this Agreement.

(d) The books and records with respect to the Borrower's Accounts Receivable are kept at the Borrower's chief place of business in Kentucky.

(e) The Borrower's chief place of business is located at One Jay Station Nicholasville, Jessamine County, Kentucky 40356.

(f) The Collateral is used and will be used for business use only.

(g) The registered office of the Borrower's registered agent in Kentucky is located at One Jay Station, Nicholasville, Jessamine County, Kentucky 40356.

(h) Within the five (5) consecutive years last preceding the date of this Agreement, the Borrower has not conducted business under, or otherwise used, any name other than as set forth in the caption hereof.

(i) Within the four (4) consecutive months next preceding the date of this Agreement, the Borrower has not moved Collateral from a jurisdiction not listed on Schedule 2 into a jurisdiction listed thereon.

(j) The Borrower understands and acknowledges that the Lender is consenting to the Restructuring in reliance upon the security interests granted by the Guarantors evidenced by this Agreement. The Borrower intends to induce the Lender to consent to the Restructuring which would otherwise be prohibited under the Loan Agreement, recognizing that such inducement results in this Agreement becoming legally valid and enforceable.

3. Duration of Security Interests. The Lender, its successors and assigns, shall hold the security interests created hereby upon the terms of this Agreement, and this Agreement shall continue until the Revolving Credit Notes have been paid in full, the other Secured Obligations have been performed, executed, or satisfied in their entirety, and no

commitment to lend or extend credit which is intended to be secured hereby remains outstanding. After payment of any part of the Secured Obligations, the Lender may, at its option, retain all or any portion of the Collateral as security for any remaining Secured Obligations and retain this Agreement as evidence of such security. The security interests granted hereunder shall not be impaired or affected by any renewals or extensions of time for payment of any of the Secured Obligations, or by release of any party liable on the Secured Obligations; by any acquisition, release or surrender of other security, collateral or guaranty; by delay in enforcement of payment of any of the Secured Obligations; or by delay in enforcement of any security.

4. Certain Notices. The Borrower shall notify the Lender of any and all changes of location: of the Borrower's chief place of business, of the registered office of the Borrower's registered agent, or of the books and records with respect to any Accounts Receivable at least sixty (60) days prior to effecting any such change. The Borrower shall notify the Lender in writing of any and all changes of the location of all other Collateral at least sixty (60) days prior to effecting any such change, except when the Collateral are goods which are mobile and which are of a type normally used in more than one jurisdiction, such as motor vehicles, trailers, rolling stock, airplanes, shipping containers, road building, construction machinery and commercial harvesting machinery and the like, if the goods are equipment or are inventory leased or held for lease by the Borrower to others and not covered by a certificate of title. If the Collateral is covered by a certificate of title, the Borrower shall not change the location of the Collateral to another jurisdiction and permit it to remain there for more than four (4) months without giving Lender at least sixty (60) days prior written notice of the change of the location of the Collateral. In no event shall the Borrower surrender any certificate of title covering the Collateral to any titling agency in another jurisdiction without giving Lender sixty (60) days prior written notice.

5. Covenant Not to Dispose of or Impair Collateral. The Borrower shall not, without the prior written consent of the Lender, sell, transfer or otherwise dispose of the Collateral, or any part thereof or interest therein, except (a) collections of Accounts Receivable permitted under this Agreement, (b) sale of Inventory in the ordinary course of business (which shall not include any transfer in complete or partial satisfaction of indebtedness), and (c) otherwise as permitted by the Borrower's Documents. The Borrower shall not permit any of the Collateral to be levied upon under any legal process, nor permit anything to be done that may impair the value of the Collateral or the security intended to be provided by this Agreement.

6. Default. The occurrence of an Event of Default under the Loan Agreement shall constitute a default under this Agreement (an "Event of Default").

7. Loan Remedies. Upon any Event of Default, the Lender may at its option declare any and all of the Revolving Credit Loans and the other Secured Obligations to be immediately due and payable; and, in addition to that right, and in addition to exercising all other rights or remedies, the Lender may proceed to exercise with respect to the Collateral all rights, options and remedies of a secured party upon default as provided for under the Uniform Commercial Code. The rights of the Lender upon an Event of Default shall include, without limitation, any and all rights and remedies in any and all other documents, instruments, agreements and other writings between the Lender and the Borrower, all rights and remedies as provided by law, in equity or otherwise, and in addition thereto, the following:

(a) The right to require the Borrower to assemble the Collateral and the books and records with respect to Accounts Receivable and make them available to the Lender at a place or places to be designated by the Lender which is reasonably convenient to the Borrower and the Lender.

(b) The right to require the Borrower to store all or any part of the Collateral, at the Borrower's own cost and risk, on behalf of the Lender, after the Lender has taken possession of such Collateral. Storage shall be in such manner as to prevent any deterioration of such Collateral, and shall be for a reasonable time pending the sale or other disposition of such Collateral.

(c) The right to sell the Collateral at public or private sale in one or more lots in accordance with Uniform Commercial Code. The Lender may bid upon and purchase any or all of the Collateral at any public sale thereof, and shall be entitled to apply the unpaid portion of the Secured Obligations as a credit against the purchase price. The Lender's purchase of all or any of the Collateral shall extinguish the Borrower's rights under section 9-506 of the Uniform Commercial Code upon application of the unpaid portion of the Secured Obligations. The Lender shall be entitled to apply the proceeds of any such sale to the satisfaction of the Secured Obligations and to expenses incurred in realizing upon the Collateral in accordance with the Uniform Commercial Code.

(d) The right to notify the account debtors on all or any part of the Borrower's Accounts Receivable of the Lender's interest therein and to require such account debtors to begin making payments directly to the Lender regardless of whether the Borrower was previously making collections on all or any part of the Borrower's Accounts Receivable. The Lender shall have the right to proceed against any such account debtors in its own name, or in the name of the Borrower with or without the consent of the

Borrower. The Lender may retain any such payments or collections and apply them to the satisfaction of the Secured Obligations and to expenses incurred in collection, all in accordance with the Uniform Commercial Code.

(e) The right to recover the reasonable expenses of taking possession of any of the Collateral that may be reduced to possession, preparing the Collateral for sale, selling the Collateral, collecting all or any part of the Borrower's Accounts Receivable, and other like expenses.

(f) The right to recover all of the Lender's expenses of collection, including, without limitation, court costs and reasonable attorneys' fees and disbursements incurred in realizing upon the Collateral or enforcing or attempting to enforce any provision of this Agreement.

(g) The right to retain the Collateral and become the owner thereof, in accordance with the provisions of the Uniform Commercial Code.

(h) The right to proceed by appropriate legal process at law or in equity to enforce any provision of this Agreement or in aid of the execution of any power of sale, or for foreclosure of the security interests of the Lender, or for the sale of the Collateral under the judgment or decree of any court.

(i) The right to enter any premises where any Collateral may be located for the purpose of taking possession or removing the same.

(j) The right to (1) possession of any and all of the Warehouse Receipts, (2) notify any of the Warehousemen holding any of the Borrower's Inventory that a default has occurred and that the Lender, to the exclusion of the Borrower, is entitled to direct release and delivery of the Inventory, and (3) otherwise cause the Warehousemen to store the Inventory as the Lender's agent.

8. Cumulative Remedies. The rights and remedies of the Lender shall be deemed to be cumulative, and any exercise of any right or remedy shall not be deemed to be an election of that right or remedy to the exclusion of any other right or remedy. Notwithstanding the foregoing, the Lender shall be entitled to recover by the cumulative exercise of all remedies no more than the sum of (a) the Secured Obligations at the time of exercise of remedies, plus (b) the costs, fees and expenses the Lender is otherwise entitled to recover.

9. Waivers. The Borrower acknowledges that this Agreement involves the grant of multiple security interests, and the Borrower hereby waives, to the extent permitted by applicable law, (a) any requirement of marshaling assets or proceeding against Persons or assets in any particular order, and (b) any and all notices of every kind and description which may be required to be given by any statute or rule of law and any defense of any kind which the Guarantors may now or hereafter have with respect to the rights of the Lender with respect to the Collateral under this Agreement.

10. Collections from Accounts Receivable.

(a) At any time when the Lender may exercise remedies under Section 9 of this Agreement, the Lender shall have the right to notify account debtors obligated on any or all Accounts Receivable to make payments directly to the Lender.

(b) Until the Lender requests that account debtors of Accounts Receivable be notified of the Lender's security interest created at a time when the Lender may exercise remedies under Section 9 of this Agreement, the Borrower shall continue to collect payments on the Borrower's Accounts Receivable and use the proceeds thereof in the ordinary course of business. If any Event of Default has occurred and is continuing, the Borrower may not use the proceeds from payments on Accounts Receivable to satisfy any indebtedness to any Person other than the Lender. If the Borrower collects payments on any Accounts Receivable after an Event of Default has occurred and while it is continuing, the Borrower shall hold the proceeds received from that collection as a constructive trust for the Lender and shall turn over such proceeds to the Lender immediately upon demand in the identical form received, if so requested by the Lender. In the event of such payment, the Lender shall credit the proceeds as payment of the Secured Obligations first to costs or penalties, if any, second to interest, and then to principal. Any credit given to the Borrower for proceeds in form other than cash shall be conditional upon final payment to the Borrower in cash or solvent credit of the items, and if any item is not paid the amount of any credit given for it shall be charged to the Borrower whether or not the item is returned, and such amount shall be a part of the obligations secured by this Agreement.

(c) The Borrower shall have no power to, and shall not, waive, compromise or discount any Accounts Receivable, without the prior written consent of the Lender, except for (1) ordinary trade discounts and allowances for payment within thirty days of the date of invoice or billing, and (2) discounts or allowances in the ordinary course of collecting Accounts Receivable, not to exceed more than One Hundred Thousand Dollars (\$100,000.00) in the aggregate in any fiscal year of the Borrower.

(d) If any Account Receivable shall be evidenced by a promissory note, trade acceptance or other instrument with an original principal balance of Twenty-Five Thousand Dollars (\$25,000.00) or more, the Borrower shall immediately deliver such instrument to the Lender, appropriately endorsed to the Lender's order. The Borrower authorizes the Lender to endorse same on the Borrower's behalf and hereby waives presentment, demand, notice of dishonor, protest and notice of protest and all other notices with respect thereto.

11. The Lender as Agent. The Borrower hereby irrevocably constitutes the Lender as the Borrower's agent and attorney-in-fact at any time during any period when the Lender may exercise the remedies set forth in Section 9 of this Agreement, to (a) proceed against account debtors obligated on Accounts Receivable in the Borrower's name or in the Lender's name, and (b) sign and endorse all checks, drafts and other instruments in payment of Accounts Receivable, and (c) perform all such other acts with respect to Accounts Receivable as the Lender may in its discretion deem necessary to effectuate the security intended to be granted in this Agreement.

12. Special Collection Procedure. Upon the Lender's demand at any time when the Lender may exercise remedies under Section 9 of this Agreement, the Borrower shall forthwith, upon receipt of all checks, drafts, cash and other remittances in payment or on account of Accounts Receivable or for the sale of other Collateral by the Borrower, deposit the same in a special bank account maintained with the Lender over which the Lender alone, to the exclusion of the Borrower, has the power of withdrawal. The funds in such account shall be held by the Lender for application toward the Secured Obligations. Such proceeds paid on Accounts Receivable shall be deposited in precisely the form received, except for the endorsement of the Borrower where necessary to permit collection of items, which endorsement the Borrower agrees to make and which the Lender is also hereby authorized by to make in the Borrower's name and on the Borrower's behalf as attorney-in-fact. Pending such deposit, the Borrower agrees that the Borrower will not commingle any such checks, drafts, cash and other remittances with any other funds or property, but will hold them separate and apart therefrom in express trust for the Lender until deposited in that special account. The Lender will, once each day, apply the whole or any part of the collected funds on deposit in such special account against the principal and/or interest of the Revolving Credit Notes, the order and method of such application being in the sole discretion of the Lender. Any portion of the funds in the special account which the Lender elects not to apply as provided in the preceding sentence may be paid over by the Lender to the Borrower or may be retained in the special account, at the Lender's sole discretion, as continuing security and in which the Borrower hereby grants to the Lender security interests for all the Secured Obligations.

13. Books and Records. The Borrower shall maintain books and records with respect to Accounts Receivable in form and manner reasonably satisfactory to the Lender, and the Lender shall have the right during business hours with reasonable notice to inspect any and all of the business properties, premises or books and records of the Borrower relating to Accounts Receivable or other Collateral or the proceeds thereof. The Borrower further agrees to furnish, from time to time, such reports, data and financial statements with respect to the Collateral as the Lender may reasonably request from time to time.

14. Insurance. The Borrower hereby assigns to the Lender all sums which become payable under any insurance covering the Collateral, direct any insurer to pay all such proceeds to the Lender (except that the Borrower may receive proceeds which are Fifty Thousand Dollars (\$50,000.00) or less in the aggregate from one incident or occurrence that generated a claim), and authorize the Lender to act as the Borrower's attorney in obtaining, adjusting, settling, compromising and canceling such insurance and endorsing any drafts drawn to the Borrower pursuant to such insurance. If an Unmatured Default or an Event of Default exists at the time the Lender receives the insurance proceeds, the Lender may apply those proceeds as a prepayment under Section 4.01 of the Loan Agreement at the Lender's discretion; or if the Lender chooses, it may remit the insurance proceeds to the Borrower. If no Unmatured Default or Event of Default exists at the time the Lender receives the insurance proceeds, the Lender shall remit the insurance proceeds to the Borrower.

15. Certain Obligations Regarding Collateral.

(a) The Borrower shall keep and maintain the Collateral in good condition and repair and under adequate condition of storage to prevent its deterioration or depreciation in value.

(b) The Borrower shall keep the Collateral free and clear of any and all liens other than the security interests created in favor of the Lender under this Agreement or permitted by the Borrower's Documents, and shall declare and pay any and all fees, assessments, charges and taxes allocable to the Collateral, or which might result in a lien against the Collateral if left unpaid unless the Borrower, at the Borrower's own expense, is contesting the validity or amount thereof in good faith by an appropriate proceeding, timely instituted, which shall operate to prevent the collection or satisfaction of the lien or amount so contested. If the Borrower fail to pay such amount and is not contesting the validity or amount thereof in accordance with the preceding sentence, the Lender may, but is not obligated to, pay such amount, and such payment shall be deemed conclusive evidence of

the legality or validity of such amount. The Borrower shall promptly reimburse the Lender for any and all payments made by the Lender in accordance with the preceding sentence, and until reimbursement, such payments shall be part of the Secured Obligations.

(c) The Borrower shall keep its Collateral only at the locations set out on Schedule 2 attached to and incorporated into this Agreement.

(d) If the Borrower fails to provide insurance pursuant to the Loan Agreement, the Lender may, but is not obligated to, pay for such insurance after first notifying the Borrower of the Lender's intent to pay it. The Borrower shall promptly reimburse the Lender for any payments made pursuant to this subparagraph, and until reimbursement, such payments shall be a part of the Secured Obligations.

16. Use and Inspection of Collateral. The Borrower shall not use the Collateral in violation of any statute or ordinance, and the Lender shall have the right, at reasonable hours, to inspect the Collateral at the premises of the Borrower or wherever the Collateral may be located.

17. Notice.

(a) Any requirement of the Uniform Commercial Code or other applicable law of reasonable notice shall be met if such notice is given at least five (5) business days before the time of sale, disposition or other event or thing giving rise to the requirement of notice.

(b) All notices and other communications under this Agreement shall be delivered in accordance with and subject to Section 12.16 of the Loan Agreement.

18. Further Assurance. The Borrower shall sign, from time to time, such financing statements and other documents and instruments and take such other actions as the Lender may request from time to time to more fully create, perfect, continue, maintain or terminate the security interests in the Collateral intended to be created in this Agreement. Pursuant to Kentucky Revised Statute 355.9-509 (effective July 1, 2001), as may be amended from time to time, Borrower authorizes Lender to file a financing statement(s) or amendments as may be necessary to fully perfect Lender's security interest in the Collateral, to the full extent permitted by KRS 355.9-509.

19. Miscellaneous.

(a) Failure by the Lender to exercise any right shall not be deemed a waiver of that right, and any single or partial exercise of any right shall not preclude the further exercise of that right. Every right of the Lender shall continue in full force and effect until such right is specifically waived in a writing signed by the Lender.

(b) If any part, term or provision of this Agreement is held by any court to be prohibited by any law applicable to this Agreement, the rights and obligations of the parties shall be construed and enforced, to the greatest extent allowed by law, with that part, term or provision, or if it is totally unenforceable, as if this Agreement did not contain that particular part, term or provision.

(c) The headings in this Agreement have been included for ease of reference only, and shall not be considered in the construction or interpretation of this Agreement.

(d) This Agreement shall inure to the benefit of the Lender, its successors and assigns, and all obligations of the Guarantors shall bind the Borrower's successors and assigns.

(e) To the extent allowed under the Uniform Commercial Code, this Agreement shall in all respects be governed by and construed in accordance with the laws of the Commonwealth of Kentucky.

(f) This Agreement constitutes the entire agreement of the parties with respect to the subject matter hereof. No change, modification, addition or termination of this Agreement shall be enforceable unless in writing and signed by the party against whom enforcement is sought.

(g) This Agreement may be signed by each party upon a separate copy, and in such cases one counterpart of this Agreement shall consist of enough of such copies to reflect the signature of each party.

(h) This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, and it shall not be necessary in making proof of this Agreement or the terms thereof to produce or account for more than one such counterpart.

(i) The Borrower consents to one or more actions being instituted and maintained in the Fayette County, Kentucky, Circuit Court to enforce this Agreement and/or one or more of the other Borrower Documents, and waives any

objection to any such action based upon lack of personal or subject matter jurisdiction or improper venue. The Borrower agrees that any process or other legal summons in connection with any such action or proceeding may be served by mailing a copy thereof by certified mail, or any substantially similar form of mail, addressed to the Borrower as set forth above.

(j) The Borrower acknowledges that the Borrower has received a copy of this Agreement and each of the other Borrower's Documents, as fully executed by the parties thereto. The Borrower acknowledges that the Borrower (a) HAVE READ THIS AGREEMENT AND THE OTHER BORROWER'S DOCUMENTS OR HAS CAUSED SUCH DOCUMENTS TO BE EXAMINED BY THE BORROWER'S REPRESENTATIVES OR ADVISORS; (b) is thoroughly familiar with the transactions contemplated in this Agreement and the other Borrower Documents; and (c) has had the opportunity to ask such questions to representatives of the Lender, and receive answers thereto, concerning the terms and conditions of the transactions contemplated in this Agreement and the other Borrower Documents as the Borrower deems necessary in connection with the Borrower's decision to enter into this Agreement.

IN WITNESS WHEREOF, the Borrower and the Lender have executed and delivered this Agreement as of the date set out in the preamble hereto, but actually on the dates set forth below.

BORROWER:

R.J. CORMAN EQUIPMENT COMPANY, LLC,
a Kentucky limited liability company

By: 

Title: MANAGING MEMBER

Date: JUNE 20, 2003

LENDER:

CENTRAL BANK & TRUST CO.,
a Kentucky banking corporation

By: Gregory A. Bitt

Title: SVP

Date: 6-24-03

Acknowledged before me this the 20th day of June, 2003 by
R.J. CORMAN, MANAGING MEMBER of R.J. Corman Equipment Company,
LLC, on behalf of the LLC.

David R. L.
NOTARY PUBLIC, STATE AT LARGE, KENTUCKY

My commission expires: 01/14/07

(seal)

Acknowledged before me this the 24th day of June, 2003 by
Gregory A. Bitt, Vice President of Central Bank & Trust Co. on behalf
of the bank.

Sharon W. Smith
NOTARY PUBLIC, STATE AT LARGE, KENTUCKY

My commission expires: 02-04-05

(seal)

Schedule 1

List of Locomotives and Rolling Stock (owned by R.J. Corman Equipment Co.)

LOCOMOTIVES

GP-9 Locomotive (#2756)

GP-9 Locomotive (#2792)

BOXCARS (40)

LRS 7224	LXOH 2701	LXOH 210508	MSDR 7211
LRS 7225	LXOH 2703	LXOH 210601	MSDR 6213
LRS 7232	LXOH 2705	LXOH 210628	
LRS 7234	LXOH 2707	LXOH 210672	
LRS 7240	LXOH 7201	LXOH 210661	
LRS 7241	LXOH 7207	LXOH 210697	
LRS 7251	LXOH 7208	LXOH 210732	
LRS 7255	LXOH 7247	LXOH 210778	
LRS 7264	LXOH 7253	LXOH 210790	
	LXOH 7267	LXOH 210847	
	LXOH 7228		
	LXOH 7233		
	LXOH 7237		

ROLLING STOCK

RJC504501	GP-33 Locomotive (#2761)
RJC504606	GP-38 Locomotive (#2781)
RJC504895	LOC SD-40-2 (#3418)
RJC504901	LOC SD-40-2 (#3478)
RJC504936	LOC SD-40-2 (#3944)
RJC504911	LOC SD-40-2 (#8718)
RJC504356	LOC SD-40-2 (#8589)
RJC504921	LOC SD-40-2 (#5372)
RJC504926	LOC SD-40-2 (#5363)
RJC504936	LOC SD-40-2 (#5361)
RJC504935	LOC SD-40-2 (#5409)

RJC504941

LOC SD-40-2 (#8336)

SCHEDULE 2

Locations of Collateral

Collateral is kept at the following locations:

- a. Nicholasville, Jessamine County, Kentucky
- b. Anniston, Calhoun County, Alabama
- c. Lake City, Columbia County, Florida
- d. Albany, Albany County, New York
- e. Buffalo, Erie County, New York
- f. Charolette, Mecklenburg County, North Carolina
- g. Celina, Mercer County, Ohio
- h. Dorer, Tuscarawas County, Ohio
- i. Allentown, Lehigh County, Pennsylvania
- j. Altoona, Blair County, Tennessee
- k. Memphis, Shelby County, Tennessee
- l. Gordonsville, Orange County, Virginia